



Technomic[®]

Industry Insights

A roundup of noteworthy foodservice findings
for the week of Jan. 4, 2021

Away-From-Home Spending Driven by Parents

Foodservice spending by parents has increased since the beginning of the school year. Parents are now more likely to order third-party delivery, which tends to have higher check averages than other formats.

Before COVID-19, school starting meant parents had more time to manage their household and usually had fewer meals to prepare for their children. Now, school means balancing work, feeding children and monitoring their schooling. In this time crunch, delivery services are helping lighten the load of parents.

Operators are seeing less success now with meal kits and frozen meals than they were at the beginning of the pandemic when businesses were closed and lockdowns were stricter. Family meals remain popular, especially as overwhelmed parents tire of cooking at home and want to pick up or have a ready-to-eat meal delivered to their home.

Base: 1,490 consumers, including 522 (parent) and 968 (non-parent) consumers

Q: Using your best estimate and thinking about how many times you ordered food and beverages from restaurants in the last seven days, how much would you say you spent last week on food away from home (i.e., from restaurants or other foodservice locations), including orders for delivery, takeout, drive-thru and dine-in service? Consider only how much money you spent for yourself and/or your family in the past week.

Source: Technomic Economic Impact Navigator

WEEKLY FOODSERVICE SPENDING AWAY FROM HOME (NOV. 4-7)



Top 100 Chain Outlook Remains Unfavorable

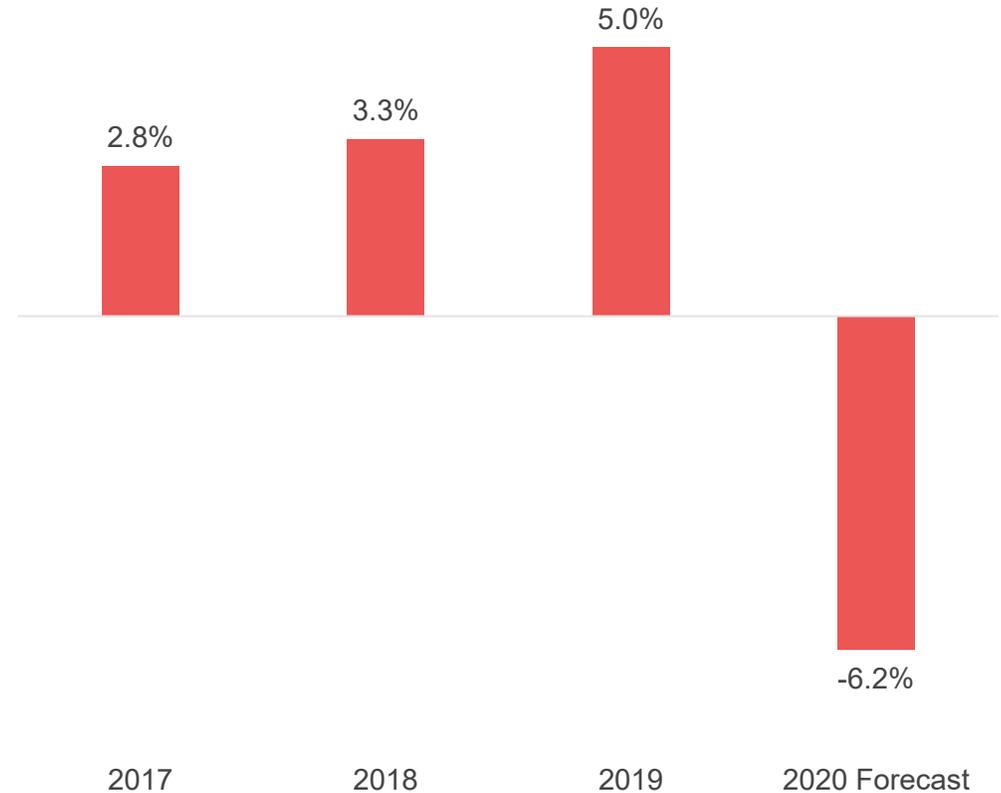
Cumulative sales for the leading 100 chain restaurants are projected to fall by 6.2% in 2020, resulting in a net loss of more than \$17 billion in total U.S. sales volume for the group.

Technomic's current projections for 2020 Top 100 chain performance have moderated in comparison to previously released forecasts, due to the relatively stable results posted by several leading quick-service chains.

Additional insights and chain-specific sales projections can be found in the recently-released *Top 100 Chain Restaurant Q4 2020 Forecast Update*.

Note: Performance forecasts are estimates and subject to revision
Sources: Technomic Ignite company data featuring the Technomic Top 100 Chain Restaurant Q4 2020 Forecast Update

TOP 100 U.S. CHAIN RESTAURANTS
ANNUAL SALES CHANGE %



The Lure of Fish and Seafood

Amid the multiple stresses of 2020, foodservice was a welcome respite from the inconvenience of cooking (and dishes). Perhaps that's why four of the five limited-time offers with the highest potential to drive traffic in 2020 featured fish or seafood. More than a third (37%) of occasional seafood eaters don't prepare seafood at home because they don't know how or don't like to cook it, according to Technomic's *2019 Center of the Plate: Seafood and Vegetarian Consumer Trend Report*. As we move into 2021, operators should consider driving traffic by attracting consumers

with meals featuring ingredients like smoked salmon, steamed shellfish or other foods consumers wouldn't normally prepare themselves.

Additionally, these types of ingredients often have a premium perception, suggesting consumers may be attracted to fish and seafood dishes as ways to treat themselves while they're stuck at home.

Base: 1,817 LTOs tested between January and November
 Notes: Concepts are evaluated on name and description alone; chain name is not shown. Index score based on top-box response within daypart/mealpart
 *Base of potential purchasers
 Source: Technomic Ignite menu data featuring menu concept testing

2020 LTOS WITH THE HIGHEST DRAW

Chain	Concept	Much More Likely to Visit For*	Draw Index Score
Biggby Coffee	Frozen Blackberry Sage Latte With fresh notes of sage and blackberry combined with rich espresso	40%	163
Biaggi's Ristorante Italiano	Smoked Salmon Pizza Cold-smoked Atlantic salmon, dill creme fraiche, salmon caviar, capers and everything seasoning	38%	161
Seasons 52	Crab Polenta Lump crab, aged cheddar and toasted panko	37%	158
Fazoli's	Lobster Mac And Cheese Cavatappi pasta topped with a white cheddar cheese sauce that has been simmered with lobster meat so that there is lobster flavor in every bite then layered in Asiago cheese so that every bite, including the last, is cheesy. Finally, it's bake it in a 490-degree oven then sprinkled with Parmesan cheese and Italian herbs	36%	154
Carrabba's Italian Grill	Cozze In Bianco Tender mussels steamed in white wine, basil and lemon butter	37%	152

Occasion Fundamentals Shift to Favor Routine

Diners will continue to use restaurants in new ways as COVID-19 lingers. Consumers articulate the core pandemic-induced shift in the underlying backdrop for their most recent chain brand visit.

When consumers were more mobile and had greater ability to stop for a meal when out, unplanned visits were at the core of many restaurant occasions. With a significant number of consumers still working from home—and many currently out of the labor force for various reasons—the increase in routine occasions speaks to the desire for greater simplicity and a different type of convenience.

As more consumers may be ordering from restaurants out of habit, time-saving devices have become the primary competitive terrain of the routine meal occasion. Restaurant operators who have created simple and streamlined processes for ordering for off-premise occasions are going to have a competitive advantage for a large percentage of business overall.

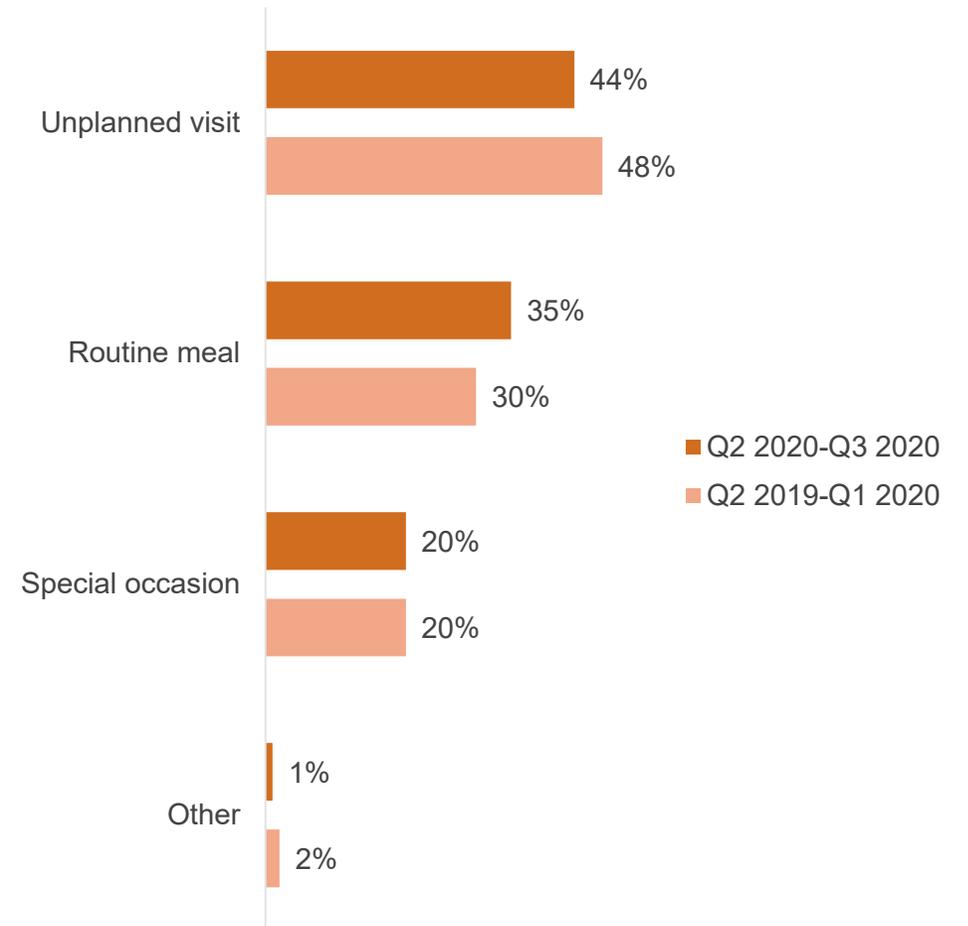
Base: 109,000 recent restaurant guests (Q2 2019-Q1 2020)

54,600 recent restaurant guests (Q2 2020-Q3 2020)

Q: How would you best describe this meal occasion?

Source: Technomic Ignite consumer featuring consumer brand metrics data

HOW WOULD YOU BEST DESCRIBE THIS MEAL OCCASION?



The Value Evolution

Changing habits and disrupted lifestyles jumbled consumers' value equation in 2020. Restaurants altered their messaging from low prices to convenience, health and comfort.

The focus away from dollar menus and deep discounting will continue into 2021.

Restaurants will find success when they provide solutions for today's needs and demands against the backdrop of the ongoing pandemic (such as the [Vips Office package in Mexico](#)).

Chief among these is convenience in its many forms. Expect operators to address convenience through a variety of initiatives, including multioccasion

solutions such as barista-prepared bottled beverages and multidaypart meal bundles to drive patronage.

Importantly, chains looking to tap into the increasingly ubiquitous subscription model (like [McDonald's just did in Russia](#)) or the rapidly evolving meal-kit format will need to add something special (like [CPK's limited-edition face covering in Japan](#)) to these convenience-driven value plays to succeed in the coming year.

Read the rest of Technomic's [2021 Global Trends Outlook](#).

And check out how we did in [our 2020 outlook](#).



Barista-prepared bottled beverages, such as this Tea Tank from ATM Tea Bar in Thailand, are becoming ubiquitous in parts of Asia

Image Source: ATM Tea Bar Thailand Instagram

COVID-19 DISRUPTION INDEX

COVID-19 Disruption Index is powered by [Shortest Track](#), utilizing AI, machine learning and disparate sets of data resources to quantify the potential risks that U.S. businesses face from the spread of the COVID-19 virus at the market level.

The highest index possible is 1.00, which is not good and reflects markets that are extremely disrupted. The index is updated on a weekly basis.

The COVID-19 Disruption Risk Index shares weekly updates through a business lens, rather than a health lens, and incorporates more than 20 different data signals to measure disruption and predict future impact. These signals include infection rates, deaths, state-level restrictions and social distancing requirements, population densities and mobility, group size limitations and lifestyle risk factors contributing to spread. More information is available [HERE](#).

Change Versus Previous Week and Month

Change versus previous week/month allows users to see if the market is becoming more or less disrupted over time. Changes that are positive (+) show a move toward becoming increasingly more impacted by COVID-19 (not good). Changes that are negative (-) show a trend toward being less impacted by COVID-19 (good).

Ignite Subscribers: [Download full market report](#)

TOP 5 MOST DISRUPTED MARKETS BY INDEX POINT CHANGE (VERSUS PREVIOUS WEEK)

		COVID-19 DISRUPTION INDEX (MAX: 1.00, HIGH DISRUPTION)	PERCENT CHANGE VERSUS LAST WEEK	PERCENT CHANGE VERSUS LAST MONTH
1	Pueblo, Colo.	0.674	1.94%	34.93%
2	Erie, Pa.	0.434	2.42%	12.11%
3	Johnstown, Pa.	0.545	1.50%	15.37%
4	Cumberland, Md.	0.665	1.23%	13.02%
5	Altoona, Pa.	0.436	1.59%	16.22%

Notes: Data updated Dec. 14, 2020

Source: [Shortest Track](#)

WANT MORE INSIGHTS?



You can get this report delivered to you every week!

[Sign up here>>](#)

Economic Impact Monitor

Our rich data on consumers, operators and the economy help you prepare for what's next.

[Explore>>](#)

Ignite Company

See where restaurant chains are, how many units they have and how well they're doing.

[Explore>>](#)

Ignite Menu

Pinpoint the latest menu trends and see what's on the horizon.

[Explore>>](#)

Ignite Consumer

Get to know your customers' customers through 60+ attributes and visit occasion metrics.

[Explore>>](#)

Global Foodservice Navigator

Understand the global industry, from menu trends to consumers, in 25 countries. [Explore>>](#)

Since 1966, we have produced in-depth research focused on the foodservice industry.

We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world.

Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

Have questions about this report?
Reach out to us today.

312-876-0004
info@technomic.com
technomic.com